

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission)	
On Its Own Motion)	
)	
Notice of Inquiry Regarding)	20-NOI-02
Electric and Natural Gas Service)	
Safety and Reliability)	

**NORTH SHORE GAS COMPANY AND THE PEOPLES GAS LIGHT AND COKE
COMPANY'S REPLY COMMENTS TO NOTICE OF INQUIRY**

North Shore Gas Company ("NSG") and The Peoples Gas Light and Coke Company ("PGL") (collectively, "NSG-PGL") appreciate the opportunity to reply to the initial comments submitted by other parties responding to the Notice of Inquiry ("NOI") regarding electric and natural gas service safety and reliability issued by the Illinois Commerce Commission ("ICC" or "Commission"). NSG-PGL commend the Commission for initiating this NOI, and welcome the perspectives offered by other stakeholders as all parties collectively strive to maximize safety and reliability for all Illinois consumers.

I. INTRODUCTION

NSG-PGL reiterate that safety and reliability are the principal priorities that permeate every facet of their natural gas distribution operations. To implement those core values, NSG-PGL devote significant efforts and resources to instituting a culture that embodies safety and reliability. Accordingly, NSG-PGL diligently comply with all federal and state safety and reliability reporting requirements. While many of the materials submitted in compliance with such regulations are publicly available, the confidentiality of critical infrastructure information is imperative in order to protect system security and integrity, and ultimately public safety. NSG-PGL understand that the Commission is

sensitive to these confidentiality concerns, and NSG-PGL support the Commission's approach to collecting and making such information available as appropriate. The current information reporting requirements, oversight mechanisms, and Commission information dissemination practices are comprehensive and appropriately balance the needs of transparency with critical infrastructure safety, such that additional regulations are unnecessary at this time.

II. NSG-PGL COMPLY WITH ALL FEDERAL AND STATE SAFETY AND RELIABILITY REPORTING REQUIREMENTS

As explained in NSG-PGL's initial response, the Pipeline and Hazardous Materials Safety Administration ("PHMSA"), which is part of the United States Department of Transportation ("USDOT"), is primarily responsible for regulating pipeline safety and setting national safety standards under 49 CFR 192, Subparts A-P, and sets reporting requirements in 49 CFR 191 (the "PHMSA rules"). Illinois regulates intrastate natural gas pipeline systems, like NSG's and PGL's, through the Pipeline Safety Section of the Illinois Commerce Commission. Illinois' pipeline safety regulations include the Illinois Pipeline Safety Act (220 ILCS 20/1 *et seq.*) and the Illinois Underground Utility Facilities Damage Prevention Act (220 ILCS 50/1 *et seq.*), along with local regulation of underground safety issues. The Commission has implemented the PHMSA rules through its own administrative code, Part 590. 83 Ill. Admin. Code 590, *et seq.*

NSG-PGL comply with federal and state safety reporting requirements for gas distribution facilities by submitting all mandatory annual reports, performance reports, incident reports, inspection report, and safety-related condition reports to the appropriate oversight entities. PHMSA and/or the Commission make many of these reports and other

relevant information available, either in whole or in part, through their websites and other publicly accessible methods.

For example, the Commission maintains a dedicated webpage on its Pipeline Safety Program (<https://www.icc.illinois.gov/home/illinois-gas-pipeline-safety-program>), which contains extensive information about natural gas safety issues, provides links to numerous external resources, and provides links to numerous Commission sub-webpages containing information on a broad array of topics relating to natural gas system safety in Illinois, including, but not limited to:

- Applicable Illinois pipeline safety regulations;
- Applicable USDOT pipeline safety regulations;
- Relevant Commission personnel and contact numbers;
- Information about compliance actions;
- Natural gas performance reports;
- Inspection reports;
- Code updates;
- Advisory notices;
- Proposed rules; and
- Inspector assignments.

Within each of these sub-pages, the Commission posts numerous annual and periodic reports, as well as information about specific incidents. NSG-PGL do not take a position on whether there may be some possible improvements to the Commission's dissemination of natural gas safety information through the Commission's website;

however, NSG-PGL believe that the Commission's website provides extensive information relating to natural gas safety and reliability issues.

III. CONFIDENTIAL TREATMENT OF CERTAIN INFORMATION PROTECTS CRITICAL INFRASTRUCTURE, WHICH SERVES TO PROTECT THE PUBLIC INTEREST IN SAFE NATURAL GAS SYSTEMS

In addition to the abovementioned reporting requirements, PHMSA also requires the implementation of Distribution Integrity Management Programs (“DIMP”) in accordance with 49 CFR 192, Subpart P. Elements of DIMP include understanding system design and material characteristics, operating conditions and environment, and maintenance and operating history; identifying existing and potential threats; evaluating and ranking risks; and identifying and implementing measures to address risks. Natural gas distribution companies are required to report DIMP performance results to PHMSA and the ICC.¹

Accordingly, as explained at page 5 of NSG-PGL's Initial Comments in this NOI, NSG-PGL implement DIMP by ranking the specific threats to the distribution system, developing mitigating actions, and submitting the required DIMP reports to PHMSA and the ICC. Because DIMP reports contain highly sensitive information related to system integrity, security, and the safety of its critical pipeline infrastructure, NSG-PGL submit DIMP reports confidentially to the Commission. The Commission has properly recognized the importance of treating DIMP reports confidentially to protect critical gas infrastructure from external threats, which could, of course, compromise public safety and system reliability and integrity. The Commission's practice of affording confidential treatment to this type of confidential information is appropriate and should not be altered.

¹ See PHMSA DIMP web page: <https://www.phmsa.dot.gov/pipeline/gas-distribution-integrity-management/gas-distribution-integrity-management-program-dimp>.

That confidential information is, and should remain, fully available to the Commission, including its expert Staff personnel who oversee natural gas safety in Illinois on a day-to-day basis. However, neither the public interest nor public safety or reliability would be served by making that information generally available to the public. On the contrary, doing so would decrease public safety and system reliability.

IV. CURRENT COMMISSION REQUIREMENTS AND PRACTICES FOR REPORTING ON GAS INFRASTRUCTURE ARE COMPREHENSIVE AND SUFFICIENT

The existing federal and state reporting requirements are comprehensive and allow the Commission and PHMSA to perform their respective oversight duties to ensure the safety and reliability of natural gas service. NSG-PGL do not recommend adding to or amending the existing reporting and oversight requirements at this time. To the extent the Commission seeks additional information or transparency to ensure that utilities are continuously implementing, maintaining, and improving safety and reliability measures, the Commission should utilize existing reporting requirements, inspection processes, oversight tools, and enforcement mechanisms instead of implementing new regulations.²

Additionally, NSG-PGL generally support the current practices of the Commission and PHMSA in terms of treatment of utility safety and reliability data. As stated above, it is appropriate and entirely consistent with public safety and system integrity that some categories of reports and types of information be treated confidentially to protect the critical system infrastructure information contained therein. The Commission's existing

² NSG-PGL generally agree with the observation made by Commonwealth Edison Company ("ComEd") that potential rule changes run the risk of being "prescriptive [and having] the unintended consequence of wedding [utilities] to a singular technology or procedure that restricts [their] ability to invest in technology and processes that will result in a safer and more reliable system." (See 20-NOI-02, ComEd Initial Comments at 28.)


process for collecting, publishing, and keeping data confidential when necessary strikes the appropriate and prudent balance between ensuring the security of critical infrastructure and making relevant information available to interested stakeholders.

V. CONCLUSION

NSG-PGL appreciate the opportunity provide Reply Comments in response to the Commission's NOI regarding electric and natural gas service safety and reliability. NSG-PGL look forward to continuing the discussion regarding these important issues.

Dated: October 15, 2020

Respectfully submitted,
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